

Environmental Quality Commission Meeting

Proposed Amendments to the Advanced Clean Trucks and Heavy-Duty Low NOx Omnibus Rules in Oregon

Agenda Item B, Action Item
July 10, 2025

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Prior EQC Informational Items

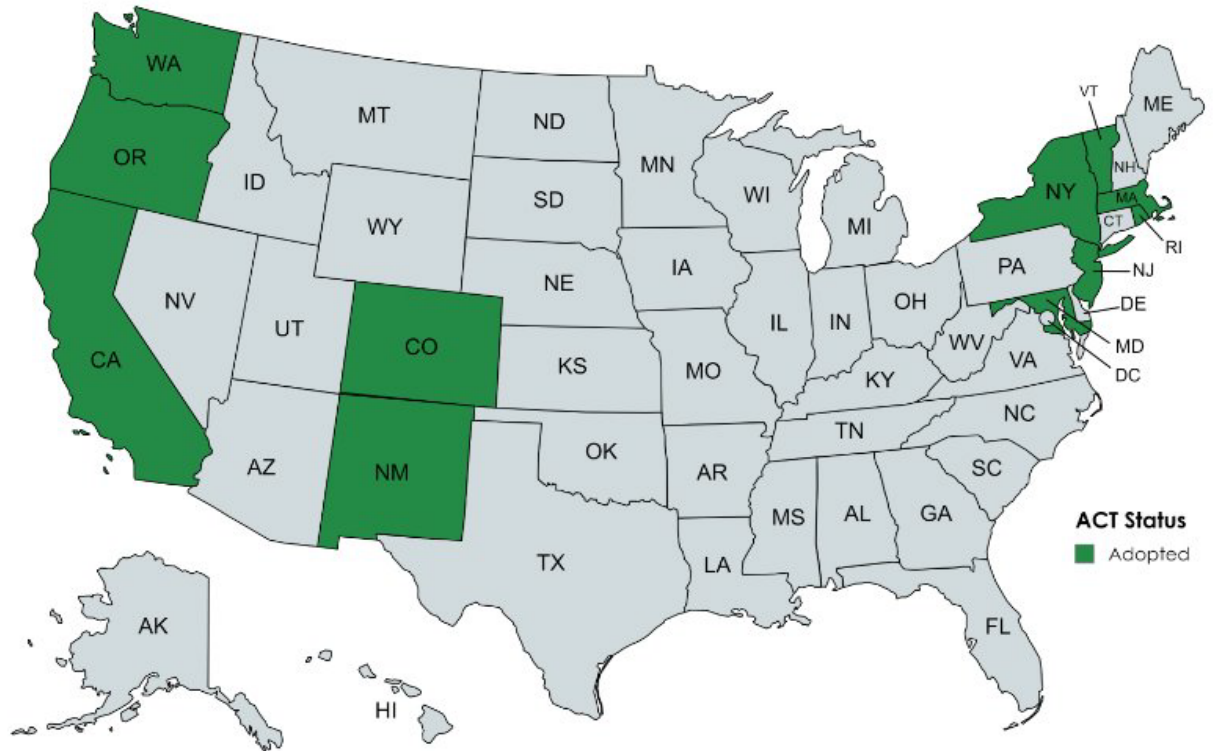
- March 2025
 - Advanced Clean Trucks rule background, rule flexibilities, key issues
 - Clean Truck Rules 2025 updates advisory committee progress
- May 2025
 - Oregon fleet data
 - ZEV targets and deployment feasibility, charging, pricing, energy strategy overview
 - Omnibus compliant internal combustion engine availability
 - Rulemaking update

Changes to Proposed Amendments Over Time

Proposed Rule Change	Temporarily Adopted November 2024	Public Notice March 2025	Final Proposal July 2025
HDO – Delay Implementation	Delay to 2026	Delay to 2026	Delay to 2027
ACT – California Amendments	Included	Included	Included
Oregon Optional Credits	Not included	Included	Not included

Recent State Action on Clean Truck Regulations

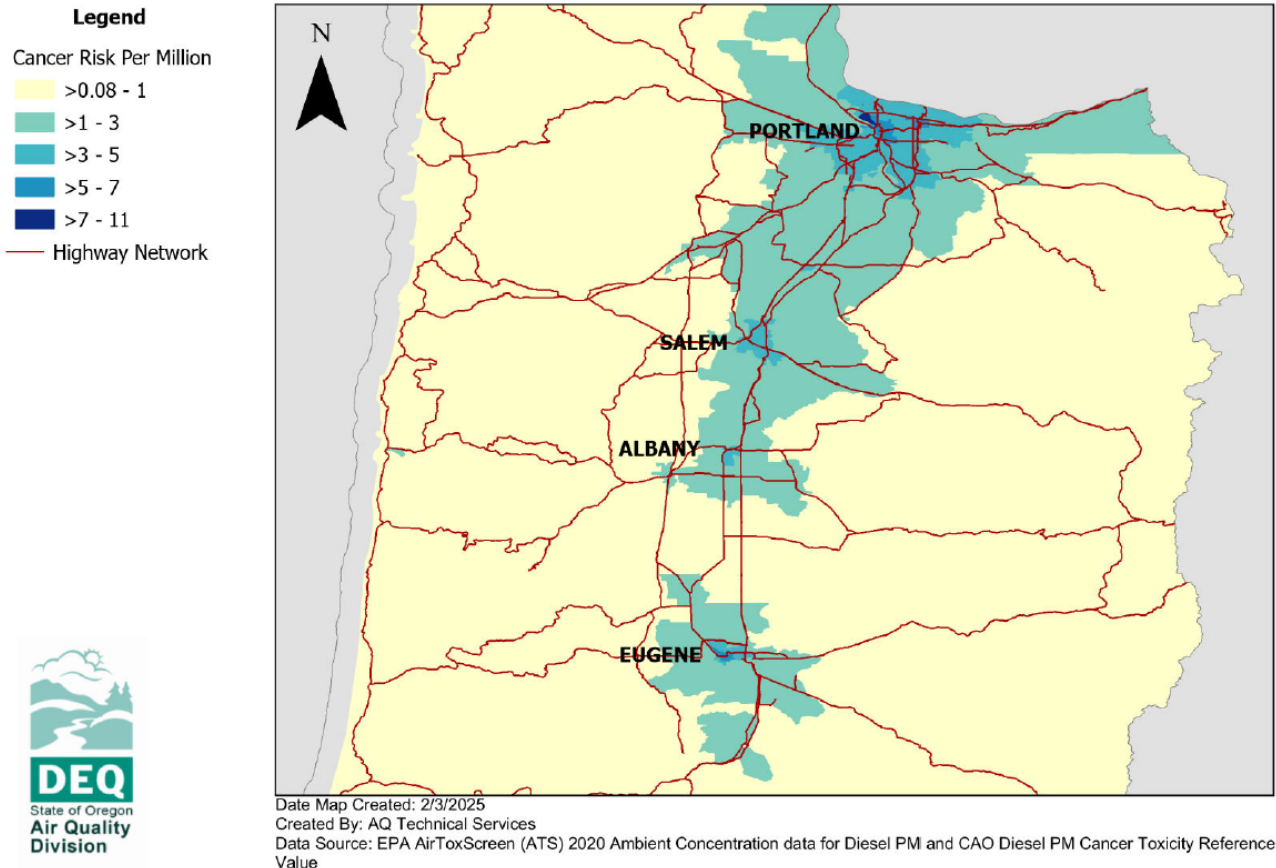
- 11 states adopted regulations for medium- and heavy-duty vehicles
- HD Omnibus
 - WA: Temporary pause through 2026
 - VT: Enforcement discretion through 2026
- Advanced Clean Trucks
 - OR, MA, NY, VT: Enforcement discretion through 2026; NJ: through 2025
 - WA: Temporary pause through Dec. 6, 2025
 - MD: Enforcement discretion through 2028



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Background – Diesel Impacts

Oregon 2020 Willamette Valley Diesel Particulate Matter Cancer Risk



- Diesel particulate matter causes cancer and other negative health effects
- Diesel exhaust is a major contributor to smog-forming pollution
- Diesel exhaust disproportionately impacts communities of color

Background – Heavy-Duty Low NOx Omnibus Rules

- Adopted by EQC in 2021
- Omnibus Rule Elements
 - Lower NOx and PM_{2.5}
 - New Low Load Standard
 - Longer Warranty Periods
- Applicability
- Exemptions

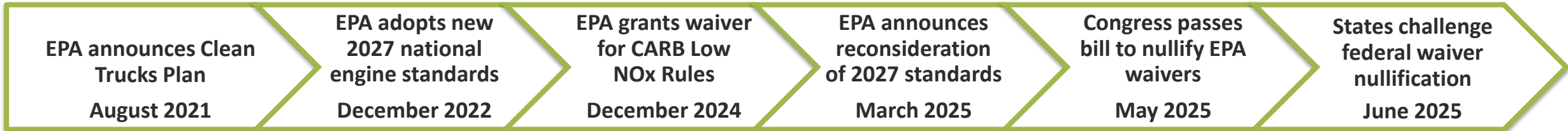


Heavy-Duty Low NOx Omnibus Timeline

California Action



Federal Action



Oregon Action



Proposed Rules – HD Omnibus

- Delays HD Omnibus rule implementation until 2027
- Delayed implementation will:
 - Provide manufacturers and buyers compliance certainty through 2026
 - Alleviate truck availability issues related to HD Omnibus
 - Provide manufacturers time to deliver more compliant engines
- Consequence of not delaying implementation
 - Potential declines in vehicle dealer revenue
 - Likely reduction in supply of new on-road diesel vehicle models

Proposed Rules – HD Omnibus

- Additional proposed minor changes:
 - Adopt recent CARB changes that increase manufacturer zero emission powertrain certification flexibilities
 - Eliminate rule provisions related to trailers which were overturned in a court challenge
- These changes ensure Oregon remains identical with California

Fiscal and Economic Impact – HD Omnibus

- The proposed rules would have a fiscal and economic impact
- Lower costs expected for new medium- and heavy-duty vehicles and engines through 2026
- Increased manufacturer and dealer revenue
- Reduced risk of manufacturer sales restrictions
- Previously predicted emission reductions will not be realized through 2026

Fiscal and Economic Impact – HD Omnibus

Small Business Impacts

- No small businesses will experience direct impacts
- Indirect impacts to small business:
 - Vehicle purchasers
 - Vehicle dealers



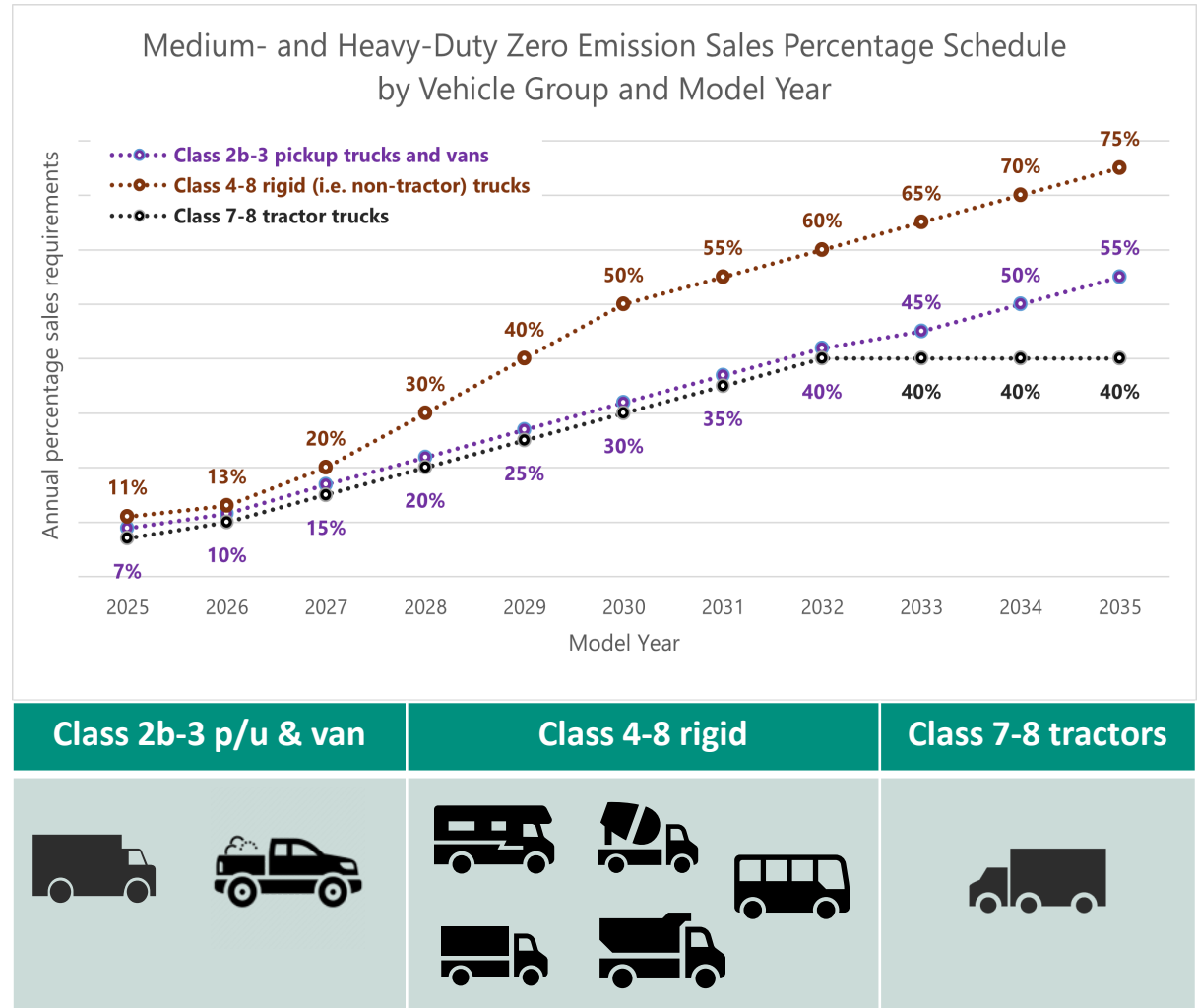
Public Comment

- 40-day public comment period
- HD Omnibus specific comments: 23
 - Rules should be delayed
 - Rules should not be delayed
 - Engine availability concerns if rule is not delayed
- DEQ modified its initial proposal based on comments submitted and recent federal actions



Background – Advanced Clean Trucks (ACT) Rule

- **Manufacturer Sales Requirement**
 - Must sell new near zero emission vehicle (NZEV)/(ZEV) zero emission vehicle trucks as a percentage of their overall sales
- Begins with 2025 model year
- Does not ever ban ownership or sales of diesel trucks



Background – Timeline of Recent Actions

What has happened since Oregon adopted these rules?



Proposed Rule – Advanced Clean Trucks

- California adopted ACT amendments on May 9, 2025
- Proposed changes/flexibilities include:
 - Increased deficit makeup period from one model year to three model years
 - Manufacturer compliance to be based on reported sales of vehicles delivered into the state instead of when vehicles reach the ultimate purchaser
 - Incorporate Zero Emission Powertrain amendments

ACT Fiscal and Economic Impact

Summary

- **Direct:**

- Proposed rules create no direct costs to public, local government, small business

- **Indirect:**

- Potential for reduced costs due to proposed rules as manufacturers provide adequate supply of internal combustion engine trucks in Oregon
- Potential for increased costs of new vehicle technology for fleets that purchase electric vehicles, which may result in indirect cost increases

Involvement of Interested Parties

- Rulemaking Advisory Committee meetings
 - Feb. 21, March 7 and 17
- Additional engagement
 - Environmental groups
 - Industry
 - Vehicle dealers
 - Manufacturers
 - Public hearings



Public Comment

- Public comment period
 - March 28 to May 7 (40 days)
 - 666 comments received
 - Two public hearings held
 - April 30 and May 6
- Comments summarized into 74 categories

Next Steps

- Work closely with Oregon vehicle dealers and fleets
 - Ensure availability of all MHD vehicle types in Oregon
 - Promote currently open incentive programs
- Clarify rule implementation with manufacturers, dealers and fleets
- Track future amendments to the Advanced Clean Trucks and Heavy-Duty Low NOx Omnibus rules

Proposed Motion Language

“I move that the Environmental Quality Commission adopt rules as proposed in Attachment A as part of Chapter 340, Division 257 and 261 of the Oregon Administrative Rules.”

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